(ii) The fiscal duty structure has been generally rationalised to achieve growth and maximum value addition within the country. Except for mandatory excise duty on man-made filament yarns and man-made staple fibres, the whole value addition chain has been given the option of excise exemption.

(iii) Import of specified textiles and garment machinery has been allowed at a concessional rate of customs duty to encourage investment and to make our textiles product competitive in the global market. The cost of machinery has also been reduced through fiscal policy measures.

(iv) Duty-free import upto 3% of actual export performance during the previous year, of 21 items of trimmings and embellishment items is allowed to garment exporters.

(v) The entire textiles sector, except for man-made fibre and filament yarn was provided optional exemption from excise duty in 2004-05. In 2005-06 Central Value-added Tax (CENVAT) on Polyester Filament Yarn has been reduced from 24% to 16%. These modifications in fiscal levies aim at attracting more investments for modernization of textile sector.

(vi) To facilitate import of state of the art textiles machinery for manufacturing internationally competitive products in post quota regime, the customs duty on textile machinery has been brought down to 10% in 2005-06 except for 23 machinery items which attract Basic Customs Duty (BCD) of 15%.

(vii) Government has launched the Debt Restructuring Scheme *w.e.f.* Sept., 2003 with the principal objective to permit banks to lend to the textiles sector at concessional rates of interest.

Import of tax-free readymade garments

†3232 SHRI RAJ MOHINDER SINGH MAJITHA:
DR. MURLI MANOHAR JOSHI:

Will the Minister of TEXTILES be pleased to state:

(a) whether it is a fact that the facility for importing tax-free readymade garments from Bangladesh and Sri Lanka has been declared by Government;

(b) if so, the details of other concessions declared on such import;

(c) whether such import will affect readymade garment industry in the country; and

(d) if so, in which way it would affect the garment industry?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN): (a) to (d) India is a signatory to the Agreement on South Asian Free Trade Area (SAFTA), which became operational from 1st July, 2006. SAFTA envisages duty reduction by member countries ranging from zero to five per cent within ten years, excluding items in the sensitive list. In pursuance of commitment made during SAFTA negotiations, India will provide zero duty market access for 8 million pieces of garments annually from Bangladesh, operationalized through a Memorandum of Understanding (MoU) signed between the Governments of India and Bangladesh on 16.9.2007. It has also been decided to provide zero duty market acces for 3 million pieces of garments annually from

†Original notice of the question was received in Hindi

Sri Lanka under the India-Sri Lanka Free Trade Area wihtout any sourcing conditions and port restrictions in terms of an MoU signed on 5.10.2007 between the Governments of India and Sri Lanka. The above mentioned quantities represent a small percentrage of the domestic consumption, and are unlikely to adversely affect the domestic garment industry.

Exploiting potentiality of jute sector in Orissa

3233. SHRI B.J. PANDA:
SHRI RUDRA NARAYAN PANY:

Will the Minister of TEXTILES be pleased to state:

(a) whether jute has good potential in Orissa but only 15000 farmers in the State are engaged in this sector on account of lack of marketing facilities and financial problems faced by these farmers;

(b) if so, the details thereof; and

(c) the action plan of the Centre to help the State to exploit this potential in a big way to improve the economy of rural folk?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN): (a) and (b) Jute production require sufficient rains and sub-soil moisture which is lacking throughout the State of Orissa and, therefore, it is grown only in 4 districts *viz.* Kendrapara, Cuttack, Bhadrak and Baleswar.

Jute farmers of Orissa generally have no problem of marketing their produce since there is stiff competition from the Buyer Jute Mills of southern State and Orissa. The Jute Corporation on India (JCI) is also operating at 6 places in Orissa in the above mentioned districts and is purchasing raw jute when jute prices rule at Minimum Support Price (MSP) or below at MSP. Year-wise production of raw jute *vis-a-vis* year-wise procurement of jute by JCI through its 6 Departmental Purchase Centres are as under:-

Year	Area (in Hec.)	Production in bales of 180 Kgs each	JCI procurement (Bales)	Remarks
2003-04	13710	1,50,000	1,33,439	Under MSP
2004-05	7010	1,09,000	10,861	Under MSP
2005-06	9850	93,030	Nil	Ruling Price above MSP
2006-07	12585	1,19,000	5,433	-do-
2007-08	10990	1,15,000	97,539	Under MSP

(c) As per National Jute Policy, 2005, Government of India has launched Jute Technology Mission under which there are provisions for production of better quality seeds. In addition to this there are schemes under Mini Mission-III for construction of jute retting tanks to demonstrate new retting technology and imparting training to the jute growers to improve quality of raw jute. There is a provision for constructions of Departmental Purchase Centre of JCI to improve marketing facilities for farmers. The above schemes are being executed in jute growing areas, including Orissa.